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FM AMEMBASSY LA PAZ  
TO RUEHC/SECSTATE WASHDC 2488  
INFO RUEHAC/AMEMBASSY ASUNCION 6541  
RUEHSW/AMEMBASSY BERN 0127  
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RUEHBU/AMEMBASSY BUENOS AIRES 4994  
RUEHCV/AMEMBASSY CARACAS 2233  
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RUEHMN/AMEMBASSY MONTEVIDEO 4409  
RUEHNE/AMEMBASSY NEW DELHI 0108  
RUEHQT/AMEMBASSY QUITO 4876  
RUEHSG/AMEMBASSY SANTIAGO 9464  
RUEHKO/AMEMBASSY TOKYO 0288  
RUEHUB/USINT HAVANA 0149  
RHMFIUU/HQ USSOUTHCOM MIAMI FL  
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UNCLAS LA PAZ 000410

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STATE FOR WHA/AND LPETRONI  
COMMERCE FOR JANGLIN  
TREASURY FOR SGOOCH

E.O. 12958: N/A  
TAGS: [EMIN](#) [EINV](#) [ECON](#) [PREL](#) [PGOV](#) [BL](#) [SZ](#)  
SUBJECT: GLENCORE OPPOSES SMELTER NATIONALIZATION

REF: LA PAZ 384

11. (U) In a February 13 statement issued from its Baar, Switzerland headquarters, Glencore International said it "firmly opposed" the GOB's February 9 nationalization of its Vinto tin smelter (reftel) and "reserved its right...to take all necessary action to protect its interests in accordance with Bolivian and international law, including its right to seek international arbitration" under Switzerland's Investment Promotion and Protection Treaty with Bolivia, which prohibits expropriation unless "effective and adequate" compensation is promptly paid.

12. (SBU) Swiss representative Eros Robiani told Econoff February 14 that he expected Glencore to try to establish dialogue with the GOB, probably with assistance from the Swiss embassy. He noted that if the company ultimately sought international arbitration, it would "do so not for the money, but to make a point," as the Vinto smelter represented only a small portion of the mining giant's global revenues. Robiani speculated that Glencore's decision to act was more "a matter of pride" than anything else.

13. (SBU) Comment: Glencore may have a difficult time engaging the GOB, as officials continue to declare the government's intent to refuse to provide compensation. Glencore's statement provoked little official reaction, with Minister of Mining Jose Dalence saying only that the GOB "had rights as a state" and would carefully respond to any measure seeking compensation for the smelter's nationalization. End comment.  
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